



**STATE OF CONNECTICUT**  
**DEPARTMENT OF CONSTRUCTION SERVICES**



**Testimony of Donald DeFronzo**  
**Commissioner of Construction Services**

**Committee on Government Administration & Elections**  
**February 22, 2013**

The Department of Construction Services ("DCS") thanks the Committee for the opportunity to submit comments on Proposed Senate Bill 206 *"AA Establishing A Pilot Program To Encourage The Participation of Minority Owned and Women-Owned Businesses in State Financed Construction Contracts at Southern Connecticut State University."*

We believe the proponents intended to cite C.G.S 4a-60(g); their proposed legislation would require state set-aside goals on Southern Connecticut State University capital projects to be changed for a period of twelve months to:

- Black American business enterprises, 10 % of the total value of construction contracts and 10% of the total value of subcontracts on such construction contracts;
- Hispanic American business enterprises, 2 ½ % of the total value of construction contracts and 6% of the total value of subcontracts on such construction contracts;
- Women-owned business enterprises, 11% of the total value of construction contracts and 15% of the total value of subcontracts on such construction contracts.

My office and other contracting agencies held a MBE Informational Forum in New Haven in October of last year, where state MBE/SBE statistics on New Haven capital projects was discussed.

I believe the set-aside percentages in the proposal are reflective of those applied to construction contracts in the City of New Haven. I would like to offer the Committee the following MBE/SBE statistics on recent capital projects that have been provided to DCS by the Construction Manager for the various projects.

**Western Connecticut State University – Visual and Performing Arts Center**

The SBE/MBE/WBE/DisBE's contracted value listed below is a combination of Construction-Manager-At Risk (CMR) direct contracts and lower tier contracts.

Total Percentage of Work Performed by SBE's 38% - \$25,058,030

Total Percentage of Work Performed by MBE's/WBE's/DisBE's 29% - \$18,688,664

Total cost of work on the original contract value for CMR at WCSU is \$65,475,546.

**Central Connecticut State University – New Academic Building**

\*From CHRO 12/30/12 quarterly report

Project Value \$23,425,635.00

MBE Total Contract Amount \$7,694,000.97

**Gateway Community College MBE/SBE participation:**

**Total Percentage of Work Performed by SBE:** 46%

**Total Percentage of Work Performed by MBE:** 25%

It is important to note that in addition to the significant SBE/MBE participation on the Gateway project, the on-site labor percentages of minorities, females, apprentices, and CT residents were as follows:

**Construction Manager at Risk labor:**

Minorities 45.48%

Females 11.60%

Apprentices 7.51%

CT Residents 99.90%

**Trade Contractors:**

Minorities 21.90%

Females 4.44%

Apprentices 10.00%

CT Residents 91.25%

Furthermore, on this New Haven project, the jobsite worker diversity exceeded labor market percentages. For comparison, the labor market percentages for the New Haven Area are: 18% Minority, 3.10% Female and 7.5% Apprentice.

The Department of Construction Services remains committed to increasing MBE participation on contracts let by our agency and are exploring administrative efforts to further demonstrate our commitment.

- Promoting and encouraging MBE contractors to become prequalified.
- Numerous MBE outreach events to explain our programs and processes
- In the process of implementing changes to “on-call contracts” which include 2 new on-call consultant contracts for MBE firms only,
- Administrative changes that will require that each on-call discipline have at least (1) MBE on the contract
- DCS is also discussing possibly “right sizing projects” for subcontractors in an effort to increase MBE/SBE participation.

We would also respectfully submit that any policy initiatives that seek to change the state’s current set-aside laws and percentages should wait until a comprehensive updated disparity study is completed for the State of Connecticut.

My staff and I would be happy to discuss the intent of this proposal further with the proponents.

